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DEPARTMENT OF STATE
DIRECTOR OF INTELLIGENCE AND RESEARCH

RESEARCH MEMORANDUM

To : The Secretary
Through: S/S
From : INR - Ray S. Cline

(RSC)

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B- ONE*

February 2, 1970

On 7-32

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Subject: USSR: Is The Leadership Pot Beginning To Boil Over?

There have been a number of recent developments which some observers might interpret as presaging a major Soviet leadership change. This memorandum discusses these developments in their respective contexts and assesses the likelihood of a Politburo shakeup in the near term.

ABSTRACT

Since mid-December it has become abundantly clear that Brezhnev & Company are seriously concerned over the disappointing performance of the Soviet economy (though it is still growing at a respectable rate by Western standards). Their warnings have been accompanied by the appearance of articles in the Soviet press which might be construed as being critical of particular members of the Politburo, and several middle- and lower-echelon officials have been dismissed under suspicious circumstances.

While an outsider can never rule out the possibility that such developments are signs of an impending leadership purge, we think it more likely that the current signs are manifestations of the Politburo's

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frustration with the seeming inability of the Soviet managers to implement effectively regime directives. We expect to see additional changes in the middle and lower echelons of the regime but look for membership in the Politburo to remain generally stable until, and probably beyond, the convocation of the 24th CPSU Congress, which should be later this year. At that time some rejuvenation in the Politburo may ensue, but not of a kind likely to generate sudden, major policy shifts.

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Concern Mounts Over State of Economy

Heightened concern has been evident since mid-December when the CPSU Central Committee heard a still unpublished but apparently highly critical report by Brezhnev on the state of the nation. Having heard his report, the Central Committee proceeded unanimously to approve the work of the Politburo since the last plenum. The Politburo earlier had approved the work of the Brezhnev-led delegation to the Warsaw Pact meeting in December dealing with foreign affairs. Subsequently, signs of overt leadership differences over foreign policy have been lacking. The situation has been far different on domestic affairs, however, particularly regarding the economy.

Judging from the generally pessimistic speeches to the Supreme Soviet by the planning chief and finance minister, and the just-released 1969 plan fulfillment report, leadership concern is well founded for virtually all major indicators were below expectations. Industrial production is lagging behind projected rates, and a downward revision of plans for 1970 was ordered. Agriculture, and particularly livestock production, has fallen to the point that Pravda on January 13 admitted that large industrial centers are experiencing severe shortages in certain food supplies (foreign sources report that the Soviets have begun negotiating for purchases of large amounts of meat products), and the regime shows signs of adopting a seemingly more benevolent attitude toward the private farming sector which produces a large share of meat and dairy products. Planned growth in labor productivity, which accounts for more than three-fourths of increases in production, is not being realized, and inflationary pressures are becoming more serious. The leadership has also shown signs of recognizing that the scientific-technological gap vis-a-vis the Free World is growing, not lessening.

Frank admissions of economic difficulties are not new, but rarely since Khrushchev's ouster have they been so all-encompassing. While the problems enumerated do not constitute an economic crisis in that growth rates remain quite respectable by Western standards, they are profoundly disturbing to a regime which claims to possess a reliable scientific guide to economic and social progress, i.e., Marxist-Leninist ideology. And the difficulties must be particularly galling to admit as the time approaches for celebration of Lenin's Centenary on April 22.

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Brezhnev Castigates Economic Cadres

The outlines of Brezhnev's unpublished speech to the December Central Committee plenum have been revealed gradually through commentary at follow-on Party meetings at lower echelons and, most notably, in what appears to be an abstract presented as a major Pravda editorial on January 13 and subsequently reprinted in a number of republic papers. The editorial dealt briefly with foreign affairs and in a fairly routine manner. Major emphasis was placed on domestic affairs, especially the parlous state of the economy and planned remedies.

The main scapegoats for admitted difficulties, according to the editorial, appear to be economic planners and management cadres. Demands were made to modernize economic decision-making machinery and to simplify management and make it more responsible (possibly through creation of large production associations on a cost-accounting basis in place of numerous small but interrelated plants administered by trusts and administrations funded from the budget). But these panaceas were not accompanied by hints of meaningful structural changes, much less in modes of operation. Instead, the editorial concluded with calls for stronger discipline for managers and workers alike and more active Party intervention to expose and correct abuses. In sum, it endorsed the extant economic command system while lambasting personnel who staff it.

Post-Plenum Personnel Changes

Since Brezhnev's report there has been a clustering of personnel changes affecting members of central Party organs. The Party First Secretary of Turkmenia has been dismissed for inability to adequately perform his duties (his republic ranked lowest in 1969 economic performance); and the Smolensk Province Party First Secretary was kicked upstairs. Neither of the foregoing seems likely to retain his national Party status at the next CPSU Congress. A similar situation is operative on the government side: the Azerbaydzhan Premier was unceremoniously dropped and two USSR ministers were removed, only one of which was characterized as a retirement.

Many if not most of these changes, and perhaps others still unknown to us, appear to be related to Brezhnev's call for greater efficiency

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in economic management and supervision. Thus far, however, specific charges have not been made public against any individual. (And there have been no "show trials" for economic mismanagement as called for by a low-echelon Kazakh Party official on December 10.) The number of officials involved thus far is relatively small. However, Pravda's January 10 editorial castigating poor performance by various ministries suggests that a more extensive shakeup is in the offing.

Other Hints of Political Maneuvering

There have been other inconclusive hints of behind-the-scenes maneuvering by various components of the leadership. One of the most intriguing was contained in the major Pravda editorial of January 13, which admitted that decisions taken by the 23rd CPSU Congress in 1966 and by subsequent Central Committee Plenums have only "on the whole, produced good results." This could refer simply to poor implementation of decisions; but, on the other hand, it could also be construed as casting doubt on the wisdom of the decisions themselves.

Another hint of possible top-level debate was the rare admission of unresolved questions buried in Pravda's lengthy January 6 commentary on the Lenin Centennial Theses. The admission was contained in a ban on discussion "among all strata of the population of ... questions which have not yet been settled in theory and of those differing viewpoints which cannot fail to be expressed in the process of scholarly research." From the context it is impossible to identify these questions; the theses themselves only prohibit the use of criticism of the Stalin and Khrushchev eras to discredit socialism, etc. But even if the questions are purely historical, it is tempting to speculate why they remain unresolved since interpretation of the past is a common device used by Soviet protagonists to debate current issues.

Several curious articles and editorials have also appeared in the central press which contain formulations reminiscent of commentary on decision-making during the latter part of Khrushchev's rule. One in Izvestiya on January 8 attacks "subjectivism" (a euphemism for the Khrushchevian style of leadership) and officials who consider criticism of themselves as "subversion not only of their personal authority but of leadership in general." Another, in Pravda of January 10, states that "no matter what post a worker holds," he has full responsibility

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"for the fulfillment of Party and government directives in the sector he leads." All such articles, however, are explicitly directed against local officials, and it is difficult to identify any specific high-level personage as the ultimate target. But since the device of attacking proxy targets has a long history in the Soviet Union, the possibility cannot be excluded that the authors had other unnamed officials in mind.

Import for Politburo Stability

Some commentators on the Soviet scene, citing the assertion in the Pravda January 13 editorial that "administrative problems are primarily political problems," interpret the foregoing as evidence that some kind of shakeup, possibly even a basic revision of the system, is imminent. Others opine that a major leadership change is in the offing. And the ever-imaginative Moscow rumor mill speculates that Brezhnev's five-week absence from public view--now ended--was due to his examination by a Central Committee Commission on unspecified charges.

Given our imperfect knowledge, it is impossible to offer definitive opinions on which, if any, of these interpretations is correct. However, we consider a basic revision of the Soviet system of rule as highly unlikely for, among other things, it would seem to require a revolutionary upheaval of a magnitude difficult to conceive at present. Certainly Soviet reaction to Czechoslovak reforms militates against any radical departures at home. We do subscribe to the theory that yet another bureaucratic reshuffling of the extant economic command system may be in the offing, and that it could be accompanied by numerous personnel changes.

How high up in the regime changes of this type will reach is anybody's guess. An indication that they may reach as high as the deputy premier level is contained in the odd handling of the State Committee on Prices and its chairman, V. K. Sitnin. At the December Supreme Soviet session, both were severely criticized by the Minister of Finance for inadequate performance. Yet a few days later, the committee, with Sitnin at its head, was promoted to independent status under the Council of Ministers; previously it had been subordinated to the State Planning Committee chaired by Baybakov, one of Kosygin's proteges.

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It may be that the move was simply to strengthen central control over price formation and enforcement; yet it does not add to, but rather detracts from, Baybakov's power and prestige. As Gosplan chairman, he is the highest-ranking economic official in the government and, as such, must take ultimate responsibility for the state of the economy. Should he be removed, it would of course reflect adversely on Kosygin. For that matter, most of the criticism levied against economic management can be interpreted as undermining Kosygin's prestige for he is the Politburo's ranking specialist on economic management and the "father" of the so-called economic reform of 1965 which clearly has failed to live up to its earlier billing. We doubt, however, that he is in imminent danger of being purged.

As for the rumor that Brezhnev is in serious difficulties, available evidence suggests the contrary. For example, he is getting better press coverage than he used to. Pravda on December 7 and the Party theoretical journal, Kommunist, No. 1, 1970, both note the publication in Bulgaria of a two-volume edition of Brezhnev's collected works. Hitherto, the Soviets had taken pains to minimize the extent of his pre-eminence by deleting laudatory comments on his personal attributes. Continuing deference to Brezhnev is also indicated by the fact that virtually all Soviets abroad willing to talk about their leaders are singularly reluctant even to gossip about Brezhnev.

Prospects for Change

While we cannot rule out the possibility that these developments are signs of an impending shakeup in the Politburo, it seems unlikely at the present time. However, we do look for additional changes in the middle and lower echelons of the leadership, some of which will reflect the Politburo's frustrations with the seeming inability of Soviet managers effectively to implement regime directives. Other changes will be more directly related to maneuvering by individuals within the leadership to place their proteges in positions entailing Central Committee status in anticipation of the convocation of the next Party Congress, which should be held this year. There is a probability that the pace might quicken in forthcoming months and eventually about one-fourth of such slots may change hands. However, the situation should remain relatively quiet until after April 22, when the regime caps its 18-month-long campaign celebrating the 100th anniversary of Lenin's birth.

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Our best guess is that membership in the Politburo will remain generally stable until, and probably even beyond, the next Congress--the latest rumor has it meeting after the harvest in September. In the interim we expect to see signs of increased tensions as the time approaches to decide such questions as the directions of the next Five-Year Plan and the membership in the Party's top organs.

Some rejuvenation of the Politburo, Party Secretariat, Council of Ministers, etc., will undoubtedly take place, if only because many of the present incumbents are in their mid-sixties. However, we do not expect changes in the leadership of a magnitude to generate a major policy reorientation in the near term. One reason is that the next generation of leaders is cut from virtually the same cloth as the incumbents; another is that their policy options will continue to be limited by the same geopolitical constraints that hem in the current leadership. In short, we do not see any extreme fluctuations in Soviet policy in the near future, though some change in atmospherics in either direction can be expected at any time.

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